



***United States Attorney  
Southern District of New York***

**FOR IMMEDIATE RELEASE  
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**U.S. CHARGES CHINESE CITIZEN WITH DEFRAUDING  
GOVERNMENT OF SEPTEMBER 11-RELATED GRANT MONEY**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that CHANG SHENG YU was indicted in Manhattan federal court for a scheme to defraud the Empire State Development Corporation ("ESDC") and the United States Department of Housing and Urban Development ("HUD") of more than \$118,000 in federal grant money intended to aid businesses affected by the September 11, 2001 terrorist attacks.

The eight-count Indictment charges that YU obtained approximately \$118,876 by submitting fraudulent applications to the World Trade Center Business Recovery Grant Program (the "BRG Program") and the World Trade Center Small Firm Attraction and Retention Grant Program (the "SFARG Program"). According to the Indictment and a criminal Complaint filed earlier this month, the BRG and SFARG Programs are funded out of a \$700 million appropriation by HUD, and are administered by ESDC. The grant programs were established after 9/11 to provide assistance to businesses in lower Manhattan that were adversely impacted by the terrorist attacks, and to assist in the retention and attraction of small businesses in lower Manhattan.

According to the Indictment, in 2002, CHANG SHENG YU submitted a fraudulent application to the BRG Program on behalf of America McKinley Venture Management, Inc. ("America McKinley"), a company of which YU identified himself as president. As the criminal Complaint details, the BRG application submitted by YU included, among other things, fabricated business expenses and fake social security numbers for YU and others. As a result of the fraudulent BRG application, in 2002 ESDC awarded America McKinley an initial grant of \$47,500 and a supplemental grant of \$71,326, according to the Complaint.

According to the Indictment, in 2003, CHANG SHENG YU submitted two more fraudulent applications on behalf of America McKinley seeking September 11-related grant money, this time to

the SFARG Program. As detailed in the criminal Complaint, to be eligible for a grant under the SFARG program, a business had to, among other things, demonstrate that it had agreed to maintain business premises within the eligible area of lower Manhattan for the five-year period after September 11, 2001. According to the Complaint, YU fraudulently doctored a rental agreement to make it appear that America McKinley had entered into a five-year agreement to rent space in the building located at 65 Broadway, when in fact no such agreement existed.

CHANG SHENG YU is charged in the Indictment with one count of theft of government funds, six counts of mail fraud, and one count of fraudulent use of social security numbers. YU was arrested and presented before a magistrate judge on October 7, 2005 and detained.

Records show that CHANG SHENG YU is a citizen of China and a resident of Queens, New York.

CHANG SHENG YU faces a maximum sentence of ten years' imprisonment on the charge of theft of government funds, a maximum of 20 years' imprisonment for each of the six mail fraud counts, and a maximum of five years imprisonment on the charge of fraudulent use of social security numbers.

Mr. GARCIA thanked the HUD Office of Inspector General, the U.S. Postal Inspection Service, the Social Security Administration Office of Inspector General, Immigration and Customs Enforcement, the New York City Police Department Identity Theft Squad, and the Empire State Development Corporation for their assistance in this investigation.

Assistant United States Attorney LISA ZORNBERG is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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